


BUYING A **HOME** IN NORTHERN VIRGINIA

10 Setps to Virginia Living





**BUYING OR SELLING A
HOME REGARDLESS OF
THE LOCATION IN VIRGINIA
IS ALWAYS EASIER WHEN
DONE WITH A PROFESSIONAL
AND EXPERIENCED REALTOR.**

VIRGINIA *living* **NOW**



The path to homeownership can be an adventure filled with twists and turns.

There is information overload and surprises that are not always pleasant if you are not prepared. In this comprehensive eBook, we will walk you through everything you need to know to make your journey to becoming a home owner a pleasant one. With the right guidance, some planning and patience, you will find this process to be less stressful than you might have anticipated.



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WHAT KIND OF HOME ARE YOU LOOKING FOR?

Buying a home for the first time is daunting. For most people, a house is the most expensive purchase they'll ever make, which is why it's critical to do research before signing on the dotted line. If you're a first-time home buyer in northern Virginia, here are the top five tips you need to consider...

Establish Your Price Range

Check a mortgage calculator to determine the cost of the home you can afford. Based on the amount of money you have for a down payment, plus the interest rate, you can see what your monthly payment will be. Be vigilant about your price range. It's easy to get lured into buying more than you can afford, so make your price range stick.

Choose Your Location

You may be able to afford a great looking house, but it's not in your perfect neighborhood. Factor in issues like school quality, commute, community, and potential resale value to identify the location that's right for you.

Research The Area

Learn how a neighborhood is trending by researching it. What are the recent comparable sales? Is crime a factor? How often do people move in and out of the area? What are the tax rates? You'll want to know all this information before purchase. Make a list of wants and needs. Every homebuyer has lists of features they want in a house, but you usually have to weigh cost versus value.

Make a list of the things you absolutely need. A big yard or new appliances, for example versus things you may simply want, such as a basement or walk-in closet.

Think Ahead

If this is your first home, chances are it won't be your last. Before buying, try to get an idea of what resale prices may be in 7-10 years. Your realtor can help you dig up historical data on the neighborhood. If you've decided your first home will be new construction, meet with several builders in the area to determine which one is right for your taste and price range.

Ask Questions

Our agents are here to serve you through your home buying journey. Specializing in Fairfax, Woodbridge, Manassas, Chantilly, Reston, Arlington, and Alexandria properties, Virginia Living Now, is a resources for buyers and sellers in the Northern Virginia area.



HOW MUCH HOME CAN YOU AFFORD?

When buying a home, mortgage lenders take a look at more than just your income, down payment and assets. Lenders will dig into everything from your auto loans, credit card debt to child support, credit ratings and potential property tax and insurance. Using a mortgage calculator will take the guess work out of nailing down a home budget that will fall in your price range.

Choosing a Lender

Selecting a lender is one of the biggest decisions you will make on your journey to home ownership. Choosing the right broker can make the difference between obtaining the best loan possible with the lowest interest rate or getting caught up in the wrong mortgage while being saddled with unnecessary fees. Before you sign the dotted line, you need to do your homework and go in prepared with an arsenal of questions.

It is important to understand the difference between a mortgage lender and a mortgage broker. A mortgage lender directly provides a loan, whereas a mortgage broker packages the loan for a mortgage lender to then make. A mortgage broker can be beneficial because they usually have more lenders to shop your loan to if you are having a hard time getting approval. A first-time homebuyer may not want to go this route because often times brokers do not offer some of the best first-time homebuyer loan programs like your local State Bond Loan program.

Don't assume everyone at a particular mortgage company is equal. Within the office you will find loan officers and brokers who specialize in certain areas or types of homebuyers such as first-time buyers. You will also find a variety of experience levels. As a first-time homebuyer, you should look for a loan officer who is knowledgeable in programs like the State Bond Loan, Mortgage Credit Certificate programs and similar first-time buyer programs.



WHICH LOAN IS RIGHT FOR ME?

The majority of buyers will go with a 30-year loan, with either a fixed or adjustable interest rate. Here's how the two options differ. The interest rate on a fixed-rate loan stays the same for the entire term, just as the name suggests. With an adjustable mortgage, the rate remains fixed for a period of time, then resets based on prevailing interest rates.

So what if you don't have a large down payment or your credit is low?

An FHA (Federal Housing Administration) loan may help you realize your dream of home ownership. **FHA loans allow a home purchase with as little as 3.5% down.** They don't come without a price, however. Plan on paying for mortgage insurance which would protect the lender in the event of default. The good news is you can stop paying for the mortgage insurance when you have built up 20% equity.

Military veterans (as well as active members) and their spouses are eligible for loans backed by the Veteran's Administration, which allow for lower and in some cases no down payment with no private mortgage insurance.



10 STEPS TO VIRGINIA LIVING

Step 1 - Check Your Credit Score

Before you begin the home buying process, you want to make sure you're actually in a position to take on all that buying a house entails. That's why the first step is to do your research, check your credit score, and review your finances.

Step 2 - Determine How Much You Can Afford

Before you speak with a mortgage lender, it's useful to calculate how much house you can afford on your own. A lender will tell you how much money you qualify for, but you want to make sure you won't be overextending yourself.

Step 3 - Choose A Lender and Get Preapproved For A Mortgage

The next step is finding a mortgage lender and getting preapproved for a mortgage loan. Many first-time home buyers don't realize they can - and should - shop around for lenders before choosing one. Doing your research can make a big difference.

Step 4 - Find A Real Estate Agent - *Let us help with this one!*

As you may have noticed, there are many steps to buying a house. Although there are some home buyers who decide they want to do it on their own, having a trusty and reliable real estate agent can make things a lot simpler.

Step 5 - Start The Home Search Process

You'll find that the more houses you see, the more they all start to blend together, so be organized and make sure you walk through the various things you like and dislike about each property with your real estate agent.

Step 6 - Make An Offer

When you find a house you want to buy, it's time to begin the process of making an offer. Ask your real estate agent to run a comparative market analysis to determine a fair price based on recent sales of similar homes in the area. The less interest there is - and the longer the house has been on the market - the more power you'll have to negotiate.

Step 7 - Get A Home Inspection and Home Appraisal

You may think you've reached the finish line when your offer is accepted, but a few critical steps remain. From here, you'll need to arrange for a home inspection and appraisal.



Step 8 - Purchase Homeowners Insurance

Also in your best interest is homeowners insurance, which works as a safety net to protect your home and finances. Although homeowners insurance isn't legally mandated, most lenders will require you to have an insurance policy on the home before giving you a loan.

Step 9 - Do A Final Walkthrough

At this point in the home buying process, you're probably eager to be done - but don't neglect the final walkthrough. One last walkthrough of the property can help the buyer if something needs to be fixed by the seller before purchasing the home.

Final walkthroughs typically take place a day or two before closing after the seller has moved out, allowing you to ensure all agreed upon repairs have been completed.

Step 10 - Close On Your New Home

Congratulations! You've made it to the final step of the process. When the time comes, make sure you review your Closing Disclosure, which will outline the terms, final closing costs and any outstanding charges or fees included in your loan. Your lender will send the disclosure to you at least 3 days before closing.

The Bottom Line - Know The Home Buying Process Before You Buy

Being a first-time home buyer can be intimidating, but by arming yourself with the necessary knowledge and resources, it doesn't have to be. By following the steps outlined in this article and working with a trusted real estate agent, you can focus on what really matters, enjoying your new home.





THE ROAD TO HOME OWNERSHIP

The road to home ownership can be long and tedious, but in the end, it will be one of the most rewarding things you will ever do. We hope our step-by-step guide has been helpful to you as you embark on this exciting phase of your life.

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